


PX 669

**MINUTES OF A MEETING
OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
OF
RIPPLE LABS INC.**

DATE: April 25, 2018

TIME: 12:30 p.m. (Pacific Daylight Time)

PLACE: By teleconference

DIRECTORS IN ATTENDANCE: 
Chris Larsen


ABSENT: None

OTHERS PRESENT: None

1. Call to Order.

A special meeting of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board” or “Board of Directors”) of Ripple Labs Inc., a Delaware corporation (the “Company”), was held at the above date and time. Mr. Larsen, serving as Chairman of the meeting, called the meeting to order, confirmed that a quorum of directors was present and that the meeting, having been duly convened, was ready to proceed with its business. Mr. Larsen then introduced and reviewed the agenda. Mr. Larsen also acted as Secretary of the meeting.

2. Partial Acceleration of XRP Grant.

Mr. Larsen called the meeting of the Committee because of the significant potential financial exposure to the Company under the XRP Unit Bonus Award to Brad Garlinghouse, the Company’s Chief Executive Officer. He reviewed Mr. Garlinghouse’s XRP bonus award, noting he was granted  on December 13, 2016, subject to vesting based on time-based

service requirements and a market metrics requirement, which was likely to result in [REDACTED] vesting on December 31, 2018. He explained that if the Company pays withholding on the vested XRP, the Company could be required to make a large cash payment based on the value of the XRP at the time of vesting. He observed that, based on the current XRP price, the Company's withholding obligation would be in the range of [REDACTED] at year end and could be much higher if the price of XRP rises, noting that the current price is still well below historical highs. He noted that the Company recognized and addressed this issue in December 2017, when the Company was required to pay [REDACTED] in withholding taxes attributable to Mr. Garlinghouse's 2017 XRP grant. He also noted that the Board had discussed compensation matters during its April 12, 2018 Board meeting and decided that it would be advisable for the Compensation Committee to review the grants and tax issues in more detail, and to retain an independent compensation consult to advise it regarding compensation matters, including the Company's XRP bonus grants. With the size of Mr. Garlinghouse's grant and tax exposure risk, Mr. Larsen recommended that the Compensation Committee consider potential steps to mitigate the financial exposure from the 2018 grant before retaining a compensation consultant.

The Compensation Committee then discussed various ways to mitigation the Company's financial exposure. These included providing for more frequent vesting to reduce the potential year-end financial obligation, requiring Mr. Garlinghouse to pay the withholding taxes, and potentially loaning Mr. Garlinghouse the funds to pay withholding taxes on a short-term basis.

After discussion, the Committee determined that, given the tax exposure, it was in the best interest of the Company and its stockholders to vest [REDACTED] % of Mr. Garlinghouse's 2018 grant effective immediately. The Committee recognized that this would accelerate the vesting on a portion of the 2018 XRP grant before the service period was met, but the Committee believed this was a reasonable way to mitigate the Company's financial exposure, especially if it were possible to require Mr. Garlinghouse to pay withholding taxes, particularly given that Mr. Garlinghouse had significant financial retention incentives to stay at the Company.

Upon motion duly made, seconded and unanimously carried, the Committee approved the acceleration of [REDACTED] of Mr. Garlinghouse 2018 grant [REDACTED] effective immediately with a discount of [REDACTED] due to the acceleration. Finally, the Committee agreed that it would retain a compensation consultant to advise on prospective payments.

3. Adjournment.

There being no further business to come before the Committee, the meeting was adjourned at approximately 12:45 p.m. Pacific Daylight Time.

APPROVED:

[REDACTED]
Chris Larsen
Chairman and Secretary of the Meeting

